

## Ethel's Bill

(Prepared remarks, not necessarily delivered verbatim)

**8 a.m., Jan.10, 2006**

House Financial Institutions and Insurance Committee

**HB 2415**

**3:30 pm Jan.11, 2006**

Senate Financial Institutions, Housing and Consumer Protection

**SB 6182**

### Introduction

The public outcry over Ethel Adams' nightmare was unprecedented.

The Insurance Consumer Hotline in my office experienced a record number of phone calls, and I received more personal e-mails from individual consumers on this issue than any other in my tenure.

Why? Because every one of us who heard Ethel's story thought it was outrageous... that it could happen to us...or to someone we love... And it's just not right.

We faithfully pay our auto insurance premiums. And when some lunatic rams into our vehicle, our insurance company should pay. To us it is an accident. This is precisely why we have insurance.

### Ethel was an innocent victim.

She was going about her own business, delivering dentures as part of her job. She just happened to be the unlucky driver who found herself in harms way when some jerk tried to ram his truck into his girlfriend's vehicle.

Ethel certainly wasn't the intended victim.

The guilty driver didn't have insurance.

While Ethel had uninsured motorist coverage, her insurance company refused to pay.

### The insurance company said the collision was not an "accident" but an "intentional act."

Ethel Adams spent 9 days in a coma... 5 months in a hospital and nursing home... and – to add insult to injury – was abandoned by her insurance company.

Ethel's story was told and retold in countless news stories and editorials and even generated

interest by the national media. Her insurance company eventually paid up...but not until my office threatened action.

What happened to Ethel should never happen to anyone else again.

But it could.

At about the same time of Ethel's story... a Seattle TV station covered a high-speed chase live during evening rush hour on King County's eastside where some crazy guy eluded police in a stolen car, careening through a Kent golf course bashing into more than a dozen vehicles.

Under the bizarre logic of Ethel's insurance company, none of those wrecks would be considered an "accident."

What about other deliberate acts... someone who intentionally runs a red light... or a collision caused by a drunk driver...

## **I thought the law was clear... but**

At the time, I described Ethel's insurance company's interpretation as wild and imaginative.

A Washington State Supreme Court case in 1990 did add some confusion. But I don't want any other insurance company trying to pull the same kind of stunt that Ethel's company did.

We can do that with one simple fix to the state law.

We are proposing the addition of one paragraph to the existing Uninsured Motorists statute.

## **Our proposal will accomplish two things:**

1. It defines "accident" as an occurrence that is unexpected and unintended from the standpoint of the person who is insured (not the insurance company).
2. If an insurer wants to deny coverage, the burden of proof is on the company to demonstrate that the covered person intended to cause the damage.

## **The insurance industry has shared their concerns with me about our proposal... and I expect you'll hear from them.**

I'm here to target one clear, specific change, designed to fix the problem highlighted by Ethel Adams' personal tragedy.

My biggest fear is that others seek to use this as an opportunity to pursue their own, bigger agendas.

The Uninsured Motorists law has been on the books for nearly 40 years. If the statute as a whole needs to be revisited, that should be considered through a separate vehicle.

But please do not let one simple change that will benefit all insurance consumers fall victim to those who may want to use it as a Christmas tree to hang their special interests.

## In closing...

We have named this Insurance Commissioner-request legislation in honor of Ethel Adams with the hope that no other innocent insured will go through the nightmare she experienced.

We purchase insurance for security, for peace of mind.

With our legislation, consumers receive what they reasonably expect to get from their insurer – coverage when the injury is unexpected and unintended from their perspective.

Thank you for your consideration.